

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 880 - Title Transfer for Housing Trust Funds (LSB 1357 HV.1)

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Fiscal Note Version – As Amended by H-1571

Description

House File 880 transfers \$1.0 million in real estate transfer tax receipts to be deposited to the General Fund and deposits the receipts to the State Housing Trust Fund in FY 2007, and transfers \$2.0 million for deposit to the Trust Fund in FY 2008. Starting in FY 2009, the Bill reduces each year the percentage of real estate transfer tax that is deposited into the General Fund and deposits those funds into the State Housing Trust Fund, while maintaining the percentage of funds that are deposited into the Shelter Assistance Fund.

Background

1. Currently, counties remit 82.75% of real estate transfer tax collected to the State. The Bill does not change this percentage.
2. Under current law, 95.0% of the funds remitted to the State are deposited into the General Fund, and 5.0% are deposited into the Shelter Assistance Fund. House File 880 transfers \$1.0 million in real estate transfer tax receipts to be deposited to the General Fund and deposits the receipts to the State Housing Trust Fund in FY 2007, and transfers \$2.0 million for deposit to the Trust Fund in FY 2008.
3. The Bill proposes to change the percentage of real estate transfer tax deposited into the State General Fund to 70.0% in FY 2009 and reduce the percentage by 5.0% per year until FY 2013. The percentage deposited to the Shelter Assistance Fund does not change and the percentage deposited to the Housing Trust Fund is 25.0% in FY 2009 and increases by 5.0% per year until FY 2013 when it would be 45.0% of the real estate transfer tax collected by the State. For FY 2013 and subsequent fiscal years, the percentages will remain at 50.0% deposited to the General Fund; 5.0% to the Shelter Assistance Fund, and 45.0% to the Housing Trust Fund. The table below summarizes the proposed changes in HF 880:

Deposit of Funds Remitted to State			
Fiscal Year	General Fund Receipts	Shelter Asst. Fund	Housing Trust Fund
2009	70.0%	5.0%	25.0%
2010	65.0%	5.0%	30.0%
2011	60.0%	5.0%	35.0%
2012	55.0%	5.0%	40.0%
2013	50.0%	5.0%	45.0%

Assumptions

1. The average annual growth of real estate transfer tax receipts over the last nine years has been approximately 8.6%. This growth will continue in subsequent fiscal years.
2. If House File 880 does not become law, the State would continue to receive 82.75% of the real estate transfer tax receipts which will continue to grow at 8.6% per year. Of this amount, 95.0% would continue to be deposited into the General Fund and 5.0% would continue to be deposited into the Shelter Assistance Fund.
3. Data in the tables below are estimates factoring in an 8.6% annual rate of growth in total receipts.

Fiscal Impact

Fiscal Year	Current Law				
	General Fund Receipts	Shelter Asst. Fund	County Portion	Total	
2007	\$ 18,721,706	\$ 985,353	\$ 4,108,118	\$	23,815,177
2008	\$ 20,331,772	\$ 1,070,093	\$ 4,461,416	\$	25,863,282
2009	\$ 22,080,305	\$ 1,162,121	\$ 4,845,098	\$	28,087,524
2010	\$ 23,979,211	\$ 1,262,064	\$ 5,261,776	\$	30,503,051
2011	\$ 26,041,423	\$ 1,370,601	\$ 5,714,289	\$	33,126,314
2012	\$ 28,280,986	\$ 1,488,473	\$ 6,205,718	\$	35,975,177
2013	\$ 30,713,150	\$ 1,616,482	\$ 6,739,410	\$	39,069,042

Fiscal Year	Proposed Law				
	Gen. Fund Receipts	Shelter Asst. Fund	Housing Trust Fund	County Portion	Total
2007	\$ 17,721,706	\$ 985,353	\$ 1,000,000	\$ 4,108,118	\$ 23,815,177
2008	\$ 18,331,772	\$ 1,070,093	\$ 2,000,000	\$ 4,461,416	\$ 25,863,282
2009	\$ 16,269,698	\$ 1,162,121	\$ 5,810,607	\$ 4,845,098	\$ 28,087,524
2010	\$ 16,406,829	\$ 1,262,064	\$ 7,572,382	\$ 5,261,776	\$ 30,503,051
2011	\$ 16,447,215	\$ 1,370,601	\$ 9,594,209	\$ 5,714,289	\$ 33,126,314
2012	\$ 16,373,202	\$ 1,488,473	\$ 11,907,783	\$ 6,205,718	\$ 35,975,177
2013	\$ 16,164,816	\$ 1,616,482	\$ 14,548,334	\$ 6,739,410	\$ 39,069,042

House File 880 will reduce General Fund revenues by the amounts deposited each year into the State Housing Trust Fund as shown in the table above.

Source

Legislative Services Agency

/s/ Holly M. Lyons

April 29, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
